



Corporate Social Responsibility (CSR) Policy

1. INTRODUCTION

The Corporate sector has certain obligations and responsibility towards its own business entity, shareholders as well as society. Thus, every Corporate sector must contribute towards development and upliftment of the society as a whole and this initiative is broadly considered as Corporate Social Responsibility (CSR). Thus CSR is a medium through which a Company tries to attain a balanced relationship between economic, social and environmental activities. As a Corporate Citizen making expenditures on CSR activities is a simple process of giving back to the society in which it is doing its business activity and making profit for its shareholders sincerely.

2. SCOPE AND APPLICABILITY OF CORPORATE SOCIAL RESPONSIBILITY POLICY

This policy, which incorporates the Company's philosophy for acting as a responsible corporate citizen whereby the Company integrates social and environmental concerns in business operation and during interaction with various stakeholders for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the "**Bengal Energy Limited CSR Policy**". It has been prepared complying with the requirements of Companies Act, 2013 (hereinafter called as "the Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014, notified by the Ministry of Corporate Affairs vide Notification dated 27th February, 2014 .

This policy shall apply to all CSR initiatives and activities taken up at the various work-centers and locations of the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons.

3. OBJECTIVES OF THE POLICY

1. To lay down the guidelines for the Company to evolve its relationship with society by way of social and economic contribution and by giving back to the society for the resources it used to flourish by adoption of appropriate business processes and strategies.



2. To fulfill the directive of the Act enjoining prescribed companies to develop and implement a CSR policy specifying the activities to be undertaken by the Company.
3. To prepare list of activities, programmers and projects to be undertaken during the implementation year, specifying modalities of execution and implementation schedules for the same.

4. CSR COMMITTEE

i. Composition:

The Company's Corporate Social Responsibility Committee (CSR Committee) shall consist of three or more directors, out of which at least one shall be an Independent Director.

ii. Role:

The Committee, referred above, shall

- a. Formulate and recommend to the Board the CSR Policy and any amendments thereof which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- b. Recommend the amount of expenditure to be incurred on the activities, as per CSR Policy;
- c. Be responsible for implementation and monitoring of CSR projects or programmes or activities of the Company.
- d. Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

iii. Meetings:

The CSR Committee shall meet as and when deemed necessary.

iv. Sitting Fees:

The Sitting Fees for attending the meeting shall be determined from time to time by the Board of Directors.

v. Quorum:

Quorum of meeting of CSR Committee shall be one third of the total strength or two directors, whichever is higher.



- vi. The CSR Committee may invite Executives, Advisors, representatives of Social Organizations, Auditors of the Company and such other person (s) as it may consider necessary to attend the meeting.

5. CORPORATE SOCIAL RESPONSIBILITY FOCUS AREAS

The Company will support programs and activities as mentioned under Schedule VII of the Companies Act, 2013 and also such other activities including but not limited to the following:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water 4[including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries;
- vi. promotion and development of traditional arts and handicrafts;
- vii. Measures for the benefit of armed forces veterans, war widows and their dependents;



- viii. Training to promote rural sports, nationally recognised sports, Paralympic and Olympic sports;
- ix. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the central government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- x. Contribution or funds provided to technology incubators located within academic institution which are approved by the Central Government;
- xi. Rural development projects;
- xii. Slum area development;
- xiii. Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act, 2013 (the "Act") as amended from time to time. (Collectively hereinafter referred to as "CSR Activities")
- xiv. The CSR Activities shall be undertaken only in India for the benefit of the public and not only for the employees of the Company and their family. Provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR Activities.

6. QUANTUM OF AMOUNT TO BE SPENT ON CSR ACTIVITIES

- i. For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Company will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.
- ii. The Annual CSR Budget shall be spent on activities laid down in this Policy.
- iii. Any surplus arising and/or additional revenue generated out of CSR activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR Activities only.



7. IMPLEMENTATION OF CSR ACTIVITIES

- i.** The Company may undertake CSR Activities through a registered trust or society or any Company, established by the Company, its holding or subsidiary Company under Section 8 of the Act for such non-profit objectives.

Provided that the Company can carry out the CSR Activities through such other institutes having an established track record of 3 (three) years in undertaking the CSR Activities.

- ii.** The Company may collaborate with other companies for undertaking the CSR Activities subject to fulfillment of separate reporting requirements as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the "Rules").
- iii.** The scope of this policy will extend to activities as stated under Schedule VII of the Companies Act, 2013, as presently in force. The scope of the policy to also include all additional and allied matters, as will be notified by Ministry of Corporate Affairs or such other body, as appointed/notified by Central or State Government, from time to time for this purpose.
- iv.** If the Company fails to spend, the amount stated hereinabove, then reason for not spending shall be stated in the Directors' Report.
- v.** CSR programmes will be undertaken by various work centers i.e. Corporate office, manufacturing units and other business places of the Company in India to the best possible extent within the defined ambit of the identified Project/Program.
- vi.** The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.

vii. Implementation:

Projects will be undertaken either In-house (within the Company or through Trusts) or in partnership with recognised NGO's, Trusts or other accredited agencies in compliance with the applicable law.



viii. Monitoring

All projects will be assessed under an agreed strategy and monitored & measured against the targets and budgets periodically. The Committee shall from time to time lay down the monitoring strategy based on the type of project undertaken.

CSR initiatives of the Company will be reported in the Annual Report of the Company & the Board's Report in compliance with Section 135 and rules made thereunder.

8. PROCEDURE FOR CSR ACTIVITIES

- i. The Committee shall recommend the Board suitable CSR Activities to be undertaken during for the financial year along with the detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
- ii. The Board shall give its approval based on the recommendation of the Committee and in compliance of this Policy;
- iii. The Committee, after approval, shall submit its report giving status of the CSR Activities undertaken, Expenditure Incurred and such other details as may be required by the Board.

9. EXCLUSIONS

- i. The CSR Activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company.
- ii. The Company shall not make any payment directly or indirectly to Political Party (ies) for CSR Activities.
- iii. The CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.



- iv. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company but should be added in the CSR Fund.

10. REPORTING

Significant CSR Activities and achievements will be reported as a part of the Board's Report and also as per any other statutory and regulatory reporting requirement(s).

11. EFFECTIVE DATE

This policy shall be effective from the date on which it is approved by the Board of Directors on recommendation of the CSR Committee.

12. AMENDMENTS TO THE POLICY

The Board of Directors may in their discretion and on recommendation of the CSR committee, make any changes/modifications and/or amendments to this Policy from time to time. In the event of any conflict between the provisions of this Policy and of the Act or any other statutory enactments, rules, the provisions of such Act or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.